



American Institute of CPAs
1455 Pennsylvania Avenue, NW
Washington, DC 20004-1081

March 4, 2016

The Honorable John A. Koskinen
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

The Honorable William J. Wilkins
Chief Counsel
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Mr. Thomas West
Tax Legislative Counsel
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Mr. Curtis G. Wilson
Associate Chief Counsel for
Passthroughs and Special Industries
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Re: Request for Further Extension of 60 Days to May 31 of the March 31 Filing Deadline for Consistent Basis Reporting Between Estates and Beneficiaries as noted in IRS [Notice 2016-19](#) and IRS [Proposed](#) and [Temporary](#) Regulations ([REG-127923-15](#), [TD 9757](#))

Dear Messrs. Koskinen, Wilkins, West and Wilson:

The American Institute of CPAs (AICPA) requests the Department of the Treasury (“Treasury”) and the Internal Revenue Service (IRS or “Service”) delay the estate basis reporting due date from March 31, 2016 until May 31, 2016. This due date is for filing with the IRS and furnishing to the beneficiary new section¹ 6035 statement regarding consistent basis reporting between estates and persons acquiring property from a decedent who had an estate tax return due or filed after July 31, 2015, and prior to the date noted above. Prior implementation delays were made in [Notice 2016-19](#) and [Notice 2015-57](#).

The AICPA recognizes that Treasury and IRS have been under tremendous pressure to issue the proposed regulations on the 30-day information reporting requirement. We appreciate that IRS and Treasury quickly drafted and released the proposed regulations on this issue. We suggest that IRS and Treasury defer the implementation date an additional 60 days now that the proposed regulations have just been issued.

Reiterating Prior Request of 60 Day Delay in Implementation After Regulations Issued

As we stated in our January 29, 2016 prior [comments](#) on the timely need for guidance and [on the form and instructions](#), while the February 29 and then March 31, delayed (from the August 31, 2015) implementation dates were helpful for the estate tax returns that were

¹ All references herein to “section” or “§” are to the Internal Revenue Code of 1986, as amended, or the Treasury Regulations promulgated thereunder.

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being filed that are subject to this new 30-day reporting rule, many of the executors are likely unaware of the new information reporting requirement and until the proposed regulations were just issued, taxpayers and practitioners did not know how to comply with the information statement reporting requirement. We request IRS consider extending until May 31, 2016, the March 31, 2016, delayed implementation date to allow executors and their representatives to become familiar with the recently issued regulations and become aware of the Form 8971 and content of the required statements that need to be filed.

Just Released

The 45 pages of proposed regulations were released late on March 2, 2016, just 29 days before the March 31 deadline. According to the [early release version](#), the proposed regulations were officially [published](#) in the Federal Register until 2 days later on March 4, 2016, and the proposed regulations are not yet available and noted on the [IRS Estate Tax FAQ website](#) or [what's new estate and gift tax page](#).

Insufficient Time to Inform, Analyze, Implement

There is not sufficient time for the taxpayers and practitioners to be aware, informed, review, analyze, and implement the proposed regulations during this busy tax filing season. Practitioners and executors need ample time, especially during the busy tax filing season, to become familiar with the new proposed regulations that were just issued.

Insufficient Time to Update Software Programs

Schedule A of new IRS [Form 8971](#), Information Regarding Beneficiaries Acquiring Property from a Decedent, requires an asset listing. Practitioners will need software to compile the information required, especially when an asset is being split between multiple beneficiaries. The software providers need sufficient time to update their software programs for correctly processing the new Form 8971 Schedule A. Of primary concern are returns where there is a significant volume of assets (e.g., many securities within numerous brokerage accounts) that require updated software to effectively bridge the data.

Just Starting to Identify New Issues in the Proposed Regulations

Practitioners are just starting to wrestle with the many issues presented in the proposed regulations, such as when a supplemental filing is needed or when a zero basis might apply.

Please consider a further extension of 60 days, until after the April 15, busy tax filing season for these estate basis reporting statements to be due May 31, 2016, instead of March 31, 2016.

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The AICPA plans to provide additional comments on the proposed regulations.

The AICPA is the world's largest member association representing the accounting profession, with more than 412,000 members in 144 countries and a history of serving the public interest since 1877. Our members advise clients on federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium size businesses, as well as America's largest businesses.

We welcome the opportunity to discuss these comments or answer any questions that you may have. I can be reached at (801) 523-1051, or at tlewis@sisna.com; or you may contact Mary Kay Foss, Chair, AICPA Trust, Estate & Gift Tax Technical Resource Panel, at (925) 648-3660 or marykay@cpaskllp.com; or Eileen Sherr, AICPA Senior Technical Manager, at (202) 434-9256, or at esherr@aicpa.org.

Sincerely,



Troy K. Lewis, CPA
Chair, Tax Executive Committee

cc: Ms. Catherine Veihmeyer Hughes, Estate and Gift Tax Attorney Advisor, Office of Tax Policy, Department of the Treasury
Ms. Melissa Liquerman, Chief, Branch 4, Office of the Associate Chief Counsel for Passthroughs and Special Industries, Internal Revenue Service
Ms. Karlene Lesho, Senior Technician Reviewer, Branch 4, Office of Associate Chief Counsel for Passthroughs and Special Industries, Internal Revenue Service
Ms. Theresa Melchiorre, Attorney, Office of the Associate Chief Counsel for Passthroughs and Special Industries, Internal Revenue Service